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THE AGRICULTURAL SITUATION ON SEPTEMBER 1

A radio talk by Mr. J. Clyde Marquis, Bureau of Agricultural Economics, delivered through Station WRC and 31 other stations associated with the National Broadcasting Company, Eastern Standard Time, Tuesday, September 3, 1929.

September marks the turn of the season. We know what the harvest will be. Crops may gain or lose a little but the results of the season's labors can be fairly well estimated now.

The crops are now far enough along so it is apparent that this is not a bumper crop year. In a general way, it may be observed that the great crops of the North--corn, wheat, oats, potatoes, fruits--are smaller than last year, while the great southern crops like cotton, tobacco, and sweet potatoes are larger than last year. Combining 34 principal crops, the August estimates indicated composite yields about 5 per cent below last year though only slightly below the 10-year average.

The favorable harvest weather plus the hastening influence of the "combine" have brought grain to market in heavy volume. Storage capacity has been taxed at most concentration points and in some instances embargoes have been declared.

Certain of the staple fruits and vegetables promise shorter supplies than last year and are accordingly selling at higher prices. Potatoes are an important example. As estimated in August, the prospective potato crop would supply about three bushels per capita. In the normal course that would mean fairly high-priced potatoes. Since 1919, there have been four other years when the potato crop amounted to about three bushels per capita. The combined December 1 price at the farm, in those years, averaged \$1.50 per bushel and the March price \$1.85. In the short crop years, it paid better, on the average, to hold potatoes until spring than was the case in years of large crop.

Among the livestock industries, conditions are favorable, taken as a whole. This bureau has issued reports, during the past month, on the outlook for sheep and for beef cattle. Both reflect optimistic conditions.

The lamb crop this year turned out to be about 1 per cent, or 250,000 head, less than last year. This was due to the unusual losses of late lambs in the West, and occurred in spite of the increased number of ewes. Thus, the sheep industry, though expanding its breeding flocks, is not likely to put any more lambs on the market during the next 10 months, than it did during the same months of last year. This fact, coupled with a probably active demand for feeders and with the present high prices of other meats, apparently leaves the lamb market in reasonably strong shape.

The beef cattle prospect is still favorable to producers. The expectation is that about the same number of cattle will move to market, during the coming

year, as last year. However, the poor winter range and feed prospects may induce a heavier movement of both cattle and sheep than August reports indicated. For the long pull, it appears that some expansion is beginning in cattle production, more particularly in the Corn Belt, and that there may be increased supplies coming to market in two or three years. However, expansion is likely to be slow and the outlook for the next several years is an encouraging one, from the producers' standpoint.

The present season may be nothing remarkable for crop production. So far, it is not even as good as the 10-year average. But after all, the size of the crop amounts to little unless the price is satisfactory. As a market year, 1929 seems to be giving a good account of itself.

Most fruits and vegetables have been selling at considerably higher prices than a year ago because of lighter output or better demand during the early part of the season. Dry weather cut the yield in some sections. Most fruits have been on the high price list. Apples are selling about twice as high as they sold last season. Western grapes started about one-third higher. Peaches did fairly well, especially during the early part of the season. Pears started high and prices are well maintained. Cantaloupes and melons have brought growers good average returns despite liberal shipments. Comparative scarcity of tree fruits has helped this class of products.

Potato markets contrast strongly with those of last season, with prices three times as high. Cabbage also has been in a stronger position than a year ago and mid-season onions sold fairly high, but late cabbage and onions, being larger crops this year than some other vegetables, begin to show a downward price tendency. At various times, Western lettuce reached high price levels. Near the 1st of September, the price trend turned moderately downward for potatoes, cabbage, onions, cantaloupes, and lettuce. Most other products were holding market values fairly well.

Combined shipments of the leading fruits and vegetables averaged about 3,000 carloads daily in late July and through most of August. The average a year ago was near 4,000, owing chiefly to larger supplies of fruits and potatoes.

The apple situation was somewhat critical at the end of August owing to uncertainty regarding the effect of dry weather in so many important producing sections. Complaint of tendency to small-sized fruit was quite general from the East to Northwest. Such a development tends not only to make grading difficult but would limit total production. Possibly, the later rains will have tended to correct these conditions. In any event, the estimate for August was about 5,000,000 bushels below that for July owing mainly to continued dryness, and conditions were much the same the first half of August. There was also considerable damage caused by insects and scab. Combined results brought the market crop down to expectation of 30,000,000 barrels compared with 35,000,000 last season, and with the 5-year average somewhat above 32,000,000.

While there has been no marked change in the general dairy situation during the month, there have been developments, both favorable and unfavorable, in a number of individual dairy commodities. Production conditions have been affected by somewhat less favorable pastures than last month, or last year, although butter is the only commodity which has, as yet, been much affected. Up to the end of July butter production was apparently easily in excess of the same period in 1928,

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but since that time, seasonal declines augmented by the unfavorable weather and pastures have brought the production down to last year's level or slightly below.

Condensed and evaporated milk markets are apparently in a somewhat less favorable position than a month ago, due to sustained production, heavy reserve stocks, and apparent restriction of sales. Cheese markets have reached a somewhat more favorable situation with production and prices considerably below last year, but movement into trade channels apparently improved. From a general view the dairy markets are still described as steady, but with some elements of the trade expressing uncertainty, especially with regard to the unknown fall production which lies ahead.

The egg market situation continues firm, with no change in the general situation which has prevailed for several months. The markets have been featured by fairly liberal receipts, but a smaller than usual percentage of high quality eggs due to hot and dry weather; by very light reserve stocks, higher prices than a year ago; and by continued good demand. Prospects for owners of eggs in storage to make a profit, and for commercial eggs producers to obtain high prices this fall, remain good, although the latter will probably be affected by the advances in feed costs.

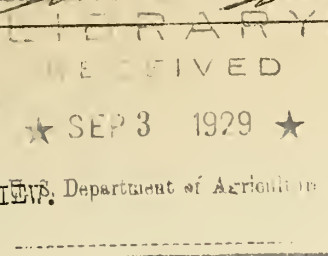
Farm prices in August advanced for all 30 products from 140 to 143. The prices of goods farmers buy stood at about the same level so the farmer's dollar advanced in value to 89 or the same as last March.

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Compared to a year ago the August level of prices of several groups of farm products are of interest.

Grains in August, 1929	129	a year ago	142
Fruits & vegetables August, 1929	160	a year ago	156
Meat animals August, 1929	165	a year ago	157
Dairy Products August, 1929	137	a year ago	134
Poultry products August, 1929	151	a year ago	134
Cotton & cotton seed August, 1929	146	a year ago	170
All groups August, 1929	143	a year ago	145

Thus it appears that the smaller production is being reflected in higher prices at the farm.



THE AGRICULTURAL SITUATION REVIEW, Department of Agriculture Monday, September 2.

SPEAKING TIME: 10 minutes.

ANNOUNCEMENT: Once again the beginning of the month rolls around and we join with United States Department of Agriculture in taking stock of the agricultural situation. The Department publishes at the first of each month a review of the high-lights of the month in the agricultural business world under the title, "The Agricultural Situation." From this review we cull the following tabloid version of the story of the past month from America's 6,000,000 farmers.

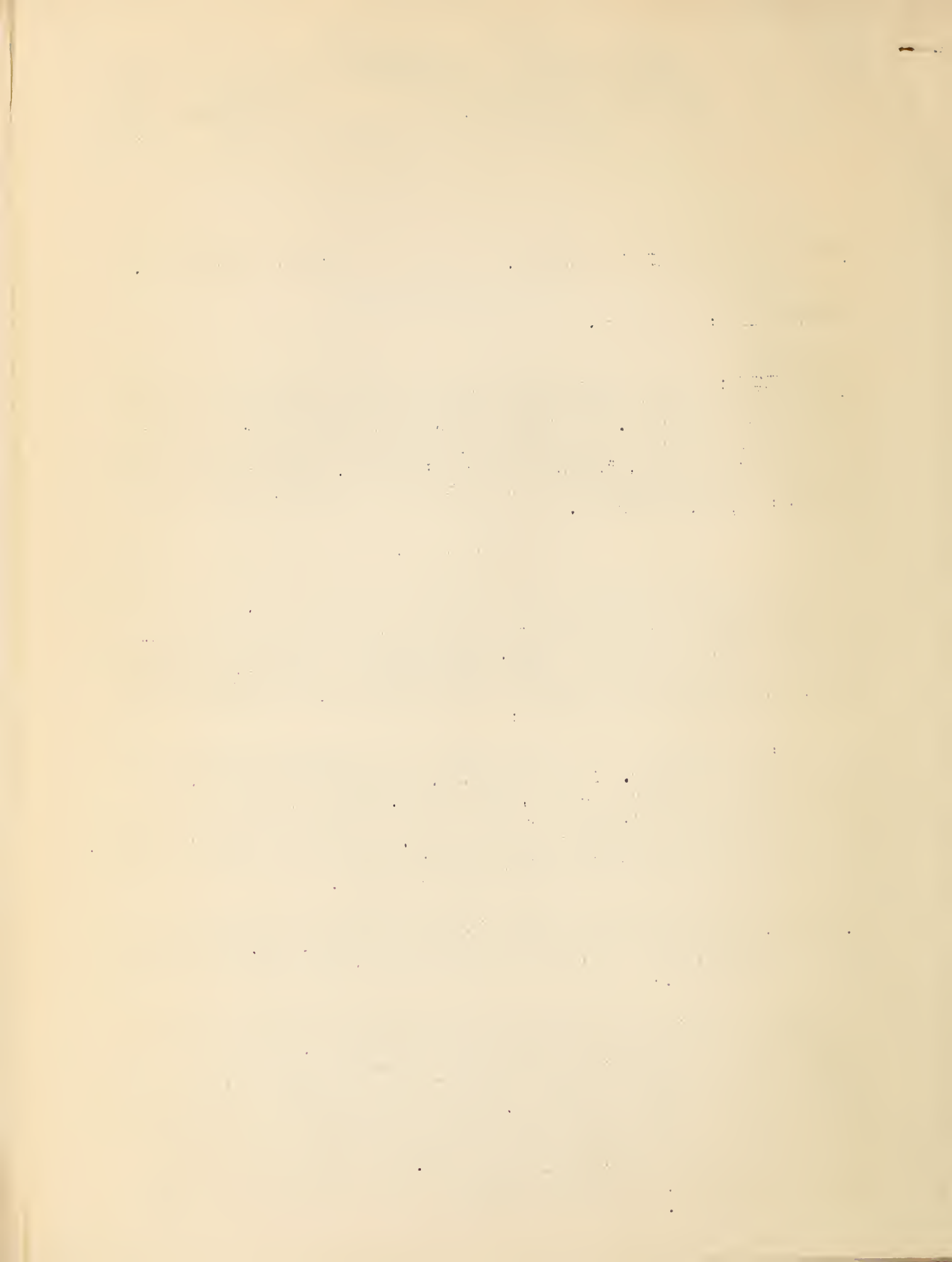
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Our rapid-fire reading of the little Blue Book--that's what we call "The Agricultural Situation" because it is printed on blue paper--naturally begins with the headline. In six words, it sums up the situation as harvest season approaches-- "CROPS ABOUT AVERAGE--LIVESTOCK CONDITIONS GOOD." Amplifying this boiled-down version let's read the summary of crop conditions over the United States:

"The crops are now far enough along so it is apparent that this is not a bumper crop year. In a general way, it may be observed that the great crops of the North -- corn, wheat, oats, potatoes, fruits -- are smaller than last year, while the great southern crops like cotton, tobacco, and sweet potatoes are larger than last year. Combining 34 principal crops, the August estimates indicated composite yields about 5 per cent below last year though only slightly below the 10-year average.

"The favorable harvest weather plus the hastening influence of the 'combine' have brought grain to market in heavy volume. Storage capacity has been taxed at most concentration points and in some instances embargoes have been declared."

All of us who relish the flavorful fruits and vegetables of the season are interested in the prospects for these crops. "Certain of the staple fruits and vegetables promise shorter supplies than last year and are accordingly selling at higher prices," we read in the Blue Book. "Potatoes are an important example. As estimated in August, the prospective potato crop would supply about three bushels per capita. In the normal course that would mean fairly high-priced potatoes. Since 1919, there have been four other years when the potato crop amounted to about three bushels per capita. The combined December 1 price at the farm, in those years, averaged \$1.50 per bushel and the March price \$1.85. In the short



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"Combined shipments of the leading fruits and vegetables averaged about 5,000 carloads daily in late July and through most of August. The average a year ago was near 4,000, owing chiefly to larger supplies of fruits and potatoes."

But while potatoes are in shorter supply than last year, onions, the inseparable companion of the spud in Mulligan stews, have come back strong this year. The Blue Book reports estimates of a main onion crop larger by nearly one-half than in 1928. However, the course of the market for the season is still very much in doubt. If your memory is long you will recall that in 1927 we had a crop of onions just about as big as this year's. Even so, when that crop went to market through the winter, prices reached \$2.00 per bushel at times. Poor keeping quality was the explanation. No one can say whether or not this year's crop will behave the same way in storage.

The noble vegetable which teams up with corned-beef -- cabbage -- also promises a plentiful crop this fall. That's from the late shipping cabbage states. Mid-summer cabbage has been less plentiful and has brought rather good prices.

Those summer and fall treats to the jaded palate -- cantaloupes and melons -- have been fairly profitable for their growers. Watermelon growers especially have had a good season, even though there were more watermelons on the market than in 1928.

Now about the greatest fruit of them all. Just now the apple situation is somewhat critical. We're up in the air about the effect of the dry weather in many important apple growing sections. We know that there has been considerable damage by insects and scab. Considering all these things, the crop estimators expect a production about one-seventh less than last season's. And the quality in the East may be affected by weather and pests. In the West conditions are more favorable. It is clear already that Baldwin in the East and Winesap in the West will be the leading market varieties this season.

Then also it seems plain that export demand for our apples will not be so heavy as last season. Which is just as well, for the home markets are likely to need most of our crop. Prices now quoted for apples compare favorably with a year ago and are not far below early quotations of 1927 when the crop was still lighter.

The pear crop is expected to be one-fifth less than in 1928 but there should be no shortage of this fruit. Peaches are unusually scarce. From Georgia's broad acres and from the other South Atlantic states we count less than half as many peaches as in 1928. The western crop may be one-third less than last year's. Peaches from different sections vary greatly in quality and condition and in size.

The prospects for citrus fruits were considerably below normal on August 1. The grape crop in California is about the smallest in 5 years. Other grape states will produce only about nine-tenths as many classes as last season. However, that still leaves plenty of grapes for the consumer and gives the growers a choice to recoup some of their heavy losses of recent years.

Now for a look at the livestock industries. With them, conditions are favorable, taken as a whole. The Federal agricultural economists reflect optimistic conditions in their reports, during the past month on the outlook for sheep and for beef cattle. Let me give you the Blue Book summary of these reports:

"The lamb crop this year turned out to be about 1 per cent, or 250,000 head, less than last year. This was due to the unusual losses of late lambs in the West, and occurred in spite of the increased number of ewes. Thus, the sheep industry, though expanding its breeding flocks, is not likely to put any more lambs on the market during the next 10 months than it did during the same months last year. This fact, coupled with a probable active demand for feeders and with the present high prices of other meats, apparently leaves the lamb market in reasonably strong shape.

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The students of dairy markets note both favorable and unfavorable developments in the markets for dairy production in the last month. Up to the end of July butter production was greater than in 1928, but since then, unfavorable weather and poor pastures have brought production down to last year's level. Markets aren't so good for condensed and evaporated milk, but are picking up for cheese. Dairy prices generally continue lower than last year. That is to be expected when production increases. To sum it up: "The dairy situation does have several features which are unfavorable, but market sentiment indicates that these have been fairly well discounted by the lower prices, and that the general outlook is still steady at the close of August."

And finally let's look at the egg market situation. Markets are firm; plenty of eggs coming to market; but fewer high quality eggs because of hot and dry weather. "Prospects for owners of eggs in storage to make a profit, and for commercial egg producers to obtain high prices this fall,

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remain good, although the latter will probably be affected by the advances in feed costs, "say the marketing specialists.

In contrast, poultry markets lost some of their previous steadiness during recent weeks, and prices tended to ease off somewhat during the month. A new thing under the sun has appeared in the poultry markets these last few years--- demand for poultry to be canned. The effects of this demand haven't been fully traced yet by the students of the market, but we'll know more about them in another year or so.

So there is your picture of agriculture at the start of September --
"CROPS ABOUT AVERAGE--LIVESTOCK CONDITIONS GOOD."

ANNOUNCEMENT: Station _____ has just presented to you another of the monthly reviews of "The Agricultural Situation" supplied by the U. S. Department of Agriculture. On Monday, October 7, we shall give you a picture of agriculture on the 6,000,000 farms in the United States at the close of September.

